


The Pirelli Group



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The Pirelli story

In 1872 a twenty-five-year old engineer, Giovanni Battista Pirelli, founded on a site in Milan, not far from where the Central Station now stands, the first factory of an industry new to Italy — the rubber industry; at first only forty workers were employed and the power needed to work the machinery came from a 26 h.p. steam engine.

Technical goods were the first production to be offered to the Italian market — hoses, conveyor belts, rubberized cloth; these were soon followed by another such as rubber mats, rain-coats, haberdashery goods, play balls, etc.; the first rubber insulated telegraph wires were produced by Pirelli in 1879.

The range of goods manufactured roused much admiration among Italian and foreign visitors to the International Exhibition in Milan in 1881 and on this occasion the Minister of Agriculture, Industry and Trade awarded Pirelli one of three gold medals given to the youngest and most up-to-date Italian industries.

It can be said that this marked the beginning of the development of the company into an increasingly efficient and important concern under the leadership of its founder, G.B. Pirelli, and afterward of his sons Piero and Alberto. In 1888 the number of work-people employed reached 1,000 and the factory covered 201,000 sq. feet of ground.

The manufacture of military field telegraph wires, commenced in 1879, was followed in 1890 by that of electric power cables, insulated with impregnated paper, and in 1899 by « Patterson » type insulated telephone cables.

Pirelli bicycle tyres were produced for the first time in 1890 and car tyres in 1899. One of the earliest to realize the possibilities of « cord » fabric, which is today adopted universally in all types of tyres, Pirelli carried out experiments with this fabric in bicycle tyres and took out a cord-cloth patent in 1894; the use of cord-fabric in car tyres was introduced after 1920.

From 1906 to 1956 the Company took part in every important motor show as well as in national and international races. Pirelli tyres made it possible in 1907 to carry out the famous « raid » of about 17.000 km. from Pekin to Paris in an « Itala » car driven by Prince Borghese and Luigi Barzini.

By 1909 Pirelli produced practically every type of rubber articles and the number of employees reached 3.500.

At the same time production was started in a new factory named « Bicocca » which slowly grew to become the biggest in the whole group; rubber cleaning, reclaimed rubber production, mixes, the manufacture of rubber-dipped goods, cables and elastic thread were transferred to the Bicocca factory, which grew rapidly during the first world war, reaching a peak in 1921 when tyre production was transferred there.



The Pirelli organisation

The Pirelli Company was founded in 1872 by Senator Ingegnere G.B. Pirelli and was the first industry created in Italy for the production of rubber and gutta-percha articles.

In 1880 Pirelli widened its production to include electric insulated cables — new to Italy — of every type: at the beginning of the new century the production of tyres was begun and soon reached a very important position both in the home and international markets.

Pirelli's business covers the following main fields which are divided in three Division:

ELECTRIC CABLES of all kinds and for every use;

TYRES AND TUBES for all forms of transport;

SUNDRY ARTICLES in rubber and plastic; and includes the manufacture of secondary products required in main-line production, such as cotton and rayon fabric, and mechanical equipments.

The Company's Head Office is in Milan, in the Skyscraper called « Centro Pirelli », in Piazza Duca d'Aosta, 3.

Company capital amounts to 68 billion lire registered shares of 1,000 lire each, owned by about 50.000 shareholders.

Dividends paid, for the year ended December 31st 1968, were of 100 lire per share, for a total amount of 7,5 billions lire.

Sales of Pirelli S.p.A., during 1968 after deducting rebates and cash discounts, including turnover tax, totalled 208,6 billions; sales of the Italian subsidiaries, proportionally to its interest in them, exceeded 116,5 billions.

Reserves and funds available amounted, at 31st December 1968 to 62,4 billions of which 39,3 for share premium.

In the Balance Sheet are shown three bond loans: one for 1,3 billions, 6 % due in 1973; another for 17,2 billions, 5.5 % due in 1980; and the Swiss loan, for 7,3 billions, 4.5 %, due in 1970; a convertible debenture loan for 24 billions lire, 5 %, issued July 1968.

Fixed assets reached 203 billions of which 150,9 for machinery, plant and equipment.

Accumulated depreciation, including the provision for 1968 amounted to 132,3 billions lire.

Factories

The main factory is at BICOCCA which covers an area of about 750.000 square meters (about 185.000 acres) on the outskirts of Milan, where tyres and cables are manufactured.

The various plants are:

Tyres:

BICOCCA manufacture of tyres.

TIVOLI (Rome) manufacture of tyres.

SETTIMO TORINESE (Turin) manufacture of inner tubes and tyres.

Cables:

BICOCCA manufacture of electric cables.

LEGHORN manufacture of electric cables.

ARCO FELICE (Naples), manufacture of electric cables and submarine cables.

CUSANO MILANINO (Milan), manufacture on enamelled wire and magnet wire.

LIVORNO FERRARIS (Vercelli), manufacture of telephone cables and enamelled wire.

Sundry Articles:

A vast range of articles is manufactured by various factories throughout Italy:

MILAN - Viale Rodi: technical goods, including conveyor belts, hoses, transmission belts, etc.

MILAN - Via Ripamonti: rubber industrial accessories, accessories for textile machinery and the textile industry, shock absorbers.

SETTIMO TORINESE (Turin): rubber accessories for the car industry (hoses, fittings for hydraulic brakes, etc.).

SEREGNO: Sanitary rubber and plastics articles, such as hot-water bottles, ice-bags, bulbs & syringes, rubber sponges, tennis balls, all forms of diving apparatus, pneumatic boats, etc.

TORRESPACCATA (Rome): bicycle & motor-cycle accessories, tyre repair outfits, industrial safety protective goods.

ARONA (Novara): Raincoats, capes, etc.

Subsidiary production

Is carried out at:

PIZZIGHETTONE (Cremona), High-tenacity rayon thread and fabric for tyres, nylon weaving.

PIZZIGHETTONE (Cremona), Reclaimed rubber.

ROVERETO (Trento), Raw cotton winding & spinning.

LAINATE (Milan), Cotton cloth weaving.

FIGLINE VALDARNO (Florence), Metalworking.

CINISELLO BALSAMO (Milan), Mechanical workshops for manufacture of moulds & repairing of machinery.

SEDICO (Belluno), Mechanical workshops for manufacture of moulds & repairing of machinery.

To sum up, Pirelli's production covers:

CABLES: of all types, rubber and plastic, insulated power cables, paper insulated high-tension cables, telephone and high frequency coaxial cables, enamelled wires, magnet wires.

TYRES & inner tubes for bicycles, scooters, motor-cycles motor-bikes, passenger cars, trucks, aeroplanes, tractors, agricultural machinery and earth-movers, flat and semi-pneumatic tracks for industrial machines.

SUNDRY ARTICLES: hoses, conveyors, transmission belts, V-belts, acid containers, bottles, ice-bags, bulbs and syringes, rubber sponges, sanitary tubing, tennis balls, rubberized capes, hoses and fittings for hydraulic brakes, flooring, bicycle and agricultural accessories of rubber, diving apparatus, rubber gloves for sanitary use, pneumatic boats, adhesive tapes, etc.

Pirelli employs about 24.160 people, namely:

executive and staff	about 5.250
factory workers	about 18.910

Some 13.000 of these employees work in the Milan Head Office and at the factory in Bicocca: the others are employed by the plants above mentioned and by Pirelli's branches in Italy, namely:

Rubber Division Branches:

MILAN (Depôts at Saronno, Brescia and Parma).

ANCONA (Depôt at Pescara)

BARI

BOLOGNA (Depôt at Zola Predosa).

CAGLIARI

CATANIA

FLORENCE (Depôt at Pisa).

GENOA

NAPLES

PADUA (Depôts at Trieste and Verona).

PALERMO

ROME (Depôt at Rome).

TURIN

Cable Division Branches:

MILAN

NAPLES

ROME

The Management's policy is directed towards a continual improvements of workers' condition of employment, social benefits, etc. and Pirelli has proved to be a pioneer and leader amongst Italian industries in this respect.

Some of the enterprises in this field sponsored by the management are:

Staff Relation

In order to keep employees up-to-date on problems and business of the Company, a Company magazine is published each month by the Personnel Department; this magazine, entitled « Fatti e Notizie » (Events and News) is circulated to each employee's home and in this way each member of the firm is kept informed of the Company's activities — production, sales and administration — as well as of social events in the firms Social and Sports Clubs.

Old Employees' Home

The « Piero and Alberto Pirelli Foundation », created by these two Pirelli brothers, has established a home at Induno Olona for elderly ex-employees who find themselves in difficult family circumstances.

The Sports Club

The Company owns a Sports stadium, seating some 3.000 spectators, for football and athletics; in addition, there are tennis courts, a basketball court, bowling courts, a roller-skating rink, a gymnasium with boxing ring, etc.

Suggestion box

Employees, and especially factory workers, are encouraged to take an active interest in technical problems connected with the Company's manufactures, by means of prizes awarded for useful suggestions and ideas.

Social Club

Interesting programmes of music, art and theatre, in which many employees take part, are arranged by the Social Club. There is also a circulating library for the use of employees.

Holiday Camps

A large and well-equipped seaside camp at Pietraligure, is available for employees's children where, in one year, 1.200 children can enjoy their summer holidays.

A similar camp has been set up in the mountains at Valganna by the Company in collaboration with the Italian Touring Club.

Pirelli Magazine

The Company publishes a bi-monthly magazine entitled « Rivista Pirelli » (Pirelli Magazine), which gives general and technical information and deals in particular with current events connected with the activities and interests of the firm. This magazine is on sale to the public (circulation about 10.000).

Bicocca Plant



Laboratories and research

In the technical and technological field emphasis has always been placed by the management on laboratories and research which, with the gradual increase in technical progress, have assumed great importance, as is illustrated by the fact that they employ some 1200 people, including over 130 graduates, and occupy an area of nearly 60,000 sq. metres (about 600,000 sq. ft.); the capital invested in laboratory machinery and equipment amounts to five billions Italian lire. The Companies of the International Pirelli Group make full use of these research and laboratory facilities.

Plant and machinery

Constant attention is given to the modernisation of plant and machinery and to the mechanization of production methods in the Pirelli factories. To this end the management has invested some 193 billion, including the above mentioned five billions, Italian lire during the post-war period up to 1968.

The firm's technical departments design machinery which is used, not only by the Italian Company, but in Pirelli factories throughout the world.

Licences for some of these machines are granted to important foreign competitors and in this way Pirelli is responsible for much technical progress related to cables and tyres in the international field.

Exports

Exports to over one hundred foreign markets account for between 15 % and 20 % of Pirelli's production.

Italian associated companies

The Pirelli organisation in Italy includes some associated companies which are independent commercially and industrially, but which are controlled by Pirelli S.p.A., the most important of which are:

LINOLEUM S.p.A.: Head Office Vighizzolo: factories at Narni (Umbria) and Vighizzolo di Cantù (Como): linoleum and other resilient flooring and sound-proofing material.
(In partnership with Montecatini Edison S.p.A.).

PIRELLI LASTEX ELASTOFIBRE S.p.A.: Head Office and factory at Redona (Bergamo): lactron thread, lastex yarn (square, round, covered and bare).
(In partnership with Châtillon S.p.A.).

PIRELLI SAPSA S.p.A.: Factories at Sesto San Giovanni (Milan) and Redona (Bergamo): reconstructed leather, P.V.C. coated fabrics, foam rubber mattresses, pillows, etc., and at Brugherio (Monza) for hairlock.

S.A.G.A. S.p.A.: Milan: shock-absorbers.

SUPERGA S.A.: Turin: rubber footwear (industrial & winter types); Triggiano (Bari): rubber footwear (summer and sports' types).

I.R.G.O. S.p.A.: Factory in Milan: retreading tyres.

A.G.A. S.p.A.: Bollate (Milan): moulded rubber mats and flooring.

ITALA S.p.A.: Somma Lombardo (Varese): sanitary articles, high-pressure hoses.

ROLF S.p.A.: Cologno Monzese (Milan): O-rings and fittings.

ARTIGO S.p.A.: Siziano (Pavia): rubber soles and heels.

A.M.S.E.A. S.p.A.: Caselette (Turin): moulds and mechanical equipment.

CARTIERE DI TOLMEZZO E PREALPINE S.p.A.: Tolmezzo (Udine) Intra (Novara): cellulose and paper mill.

CO.GE.A. S.p.A.: Milan: Garage facilities.

L.P.R. S.p.A.: (Laminati Pirelli RIV) (Turin): production of laminated plastics.

PIRELLI SICILIA S.p.A.: Villafranca Tirrena (Messina): tyres.

PIRELLI CONFEZIONI S.p.A.: Milan: raincoats, capes, etc.

FINCAVI S.p.A.: Milan: electric cables financial organisation.

CABLEXPORT S.p.A.: Milan: organisation for sales of electric cables to foreign countries.

TELEMECCANICA ELETTRICA OFFICINE MECCANICHE RIUNITE S.p.A.: Factories in Milan, Barona, Baranzate di Bollate, Rovato (Brescia) and Turin: remote control switches and low tension equipment.

ME. CA. S.p.A.: Giovinazzo (Bari): electric cables.

SOTIS S.p.A.: Siracusa (Sicily): electric cables.

PASTA S.p.A.: S. Giuliano Milanese (Milan): electric cables.

S.P. ELETTRONICA S.p.A.: Pero (Milan): manufacture of high precision Potentiometres, and round & square Trimmers.

SOLARI & C.: Udine: manufacture of Control clocks, Direct reading clocks with and without calendar — teleindicators and data-vision system — Alphanumerical flap indicators.

A.Z. LAVORAZIONI LAMIERE: Tavagnacco (Udine): Carpentry and mechanical works.

Some 15,000 employees work for the above Companies.

The total number of Pirelli employees in Italy is thus about 39,000. Taking into account the 29,000 people working for the International Pirelli Group, Pirelli gives direct employment to no less than 68,000 people throughout the world.

Pirelli S.p.A. also controls:

PIRELLI FRANCE: in Paris; factory at Saleux (Amiens): foam rubber.

PIRELLI SACIC: in Belgium: Head Office at Anderlecht (Brussels): factory at Boudour (Mons); sundry rubber articles.

VEITH PIRELLI A.G.: factory at Sandbach (W. Germany): tyres.

PIRELLI TIRE CORP.: in New York (U.S.A.).

PIRELLI PRODUKTE A.G.: in Zurich (Switzerland).

NORDISK PIRELLI A.S.: in Copenhagen (Denmark).

PIRELLI SVENSKA A.B.: in Stockholm (Sweden).

PIRELLI VERTRIEBS GmbH: in Frankfurt am Main. (W. Germany).

PIRELLI U.S.A. REPRESENTATIVE OFFICE: in New York.

The Pirelli International Group

At the head of the Pirelli International Group is SOCIETE' INTERNATIONALE PIRELLI (Head Office in Bâle, Switzerland), which supervises the activity of most of the Pirelli Companies outside Italy, namely in Great Britain, Spain, Argentina, Brazil, Canada, Mexico, Greece, Turkey and Perù.

Chairman of S.I.P. is Mr. R. Kohli, Executive Vice-Chairman Mr. V. Rostagno; Managing Director Mr. F. Bellorini.

Pirelli Italy supplies, through its technical departments and technological laboratories, all these companies with constant and ample assistance in each sector of activity.

The International Pirelli Group consists of twenty eight factories and employs some 29.000 workers in nine countries, as shown below:

England

PIRELLI LIMITED: Head Office in London; factory at Burton-on-Trent: tyres and rubber footwears resilient webbing. A new plant at Carlisle: tyres and footwears.

PIRELLI GENERAL CABLE WORKS LTD.: Head Office in London, factories at Southampton and Eastleigh: electric wires and cables and at Bishopstocke Hants telephone cables.

PIRELLI CONSTRUCTION LTD.: Southampton: cables laying work.

Spain

PRODUCTOS PIRELLI S.A.: Head Office in Barcelona, factories at:

Manresa: tyres.

Villanueva y Geltrù: electric cables, sundry rubber articles for sanitary and industrial uses.

La Plana: General Rubber Goods.

Cornellà: rubber footwears (summer, winter and industrial types).

Cornellà: moulded rubber articles.

Torredembarra: magnet wire.

Moreover *Pirelli Productos* has a financial interest in: «Fergat Española S.A.», with factory in Cornellà: wheels and rims.

Brazil	<p><i>PIRELLI S.A. COMPANHIA INDUSTRIAL BRASILEIRA:</i> Head Office in San Paulo; factories at Capuava: electric cables, tyres and sundry rubber articles.</p> <p><i>SAME S.A., San Paulo:</i> assembles for domestic appliances and electric cables-assembling for motor cars.</p> <p><i>PIRELLI NORTE S.A.:</i> Recife: electric cables.</p> <p><i>PIRELLI SUL COMPANHIA INDUSTRIAL SUL RIO GRANDENSE</i> electric cables</p> <p><i>FAZENDA ORIBOCA</i> (Belem): rubber plantation.</p>
Argentina	<p><i>INDUSTRIAL PIRELLI S.A.:</i> Head Office in Buenos Aires and three factories, La Rosa, Bellavista and Moron: electric cables, sundry rubber articles, tyres for bicycles and rubber footwears.</p> <p><i>COMPANHIA PLATENSE DE NEUMATICOS:</i> Head Office in Buenos Aires, factory at Merlo (Buenos Aires): tyres.</p>
Mexico	<p><i>CONDUMEX S.A. ANACONDA PIRELLI:</i> Head Office and factory in Mexico City: electric cables; (in partnership with Anaconda Wire & Cable Co. of New York).</p> <p><i>F.A.C.E.</i> (Mexico City): Electric cables-assembling for motor cars.</p>
Perù	<p><i>PIRELLI INDUSTRIA PERUANA DE CONDUCTORES ELECTRICOS:</i> (Lima): Electric Cables.</p>
Canada	<p><i>PIRELLI CABLES LIMITED:</i> Head Office and two factories at S. Johns (Quebec); electric cables and wires.</p> <p><i>FEDERAL WIRE & CABLES LIMITED:</i> Guelph (Ontario): annealed wires.</p>
Greece	<p><i>PIRELLI HELLAS:</i> Head Office in Athens, factory at Patras: tyres.</p>
Turkey	<p><i>TURK PIRELLI A.S.:</i> Head Office in Instambul; factory at Izmit: tyres.</p>

